

Message Text

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PAGE 01 PANAMA 03290 072214Z

13

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 SAB-01 AID-20 CIAE-00 COME-00

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SP-03 CIEP-02 LAB-06 SIL-01 OMB-01 DRC-01 SS-20 NSC-07

/122 W

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R 072138Z JUN 74

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 857

LIMITED OFFICIAL USE PANAMA 3290

EO 11652: N/A

TAGS: EFIN, PN

SUBJ: PUBLIC FINANCE: CITICORP ARRANGING \$36 MILLION

LOAN FOR PANAMA

REF: PANAMA 5710, OCT 23, 1973

1. EMBASSY HAS RECEIVED INFORMATION FROM OFFICER OF FIRST NATIONAL CITY BANK AND OFFICIAL OF FINANCE MINISTRY THAT THE SAME INVESTMENT BANK GROUP, WHICH PUT TOGETHER THE \$115 MILLION LOAN LAST OCTOBER (CITICORP INTERNATIONAL BANK LTD., DILLON READ AND CO., AND SMITH BARNEY AND CO. - SEE REFTEL), IS ATTEMPTING TO ARRANGE A LOAN OF \$36 MILLION FOR PANAMA CENTRAL GOVERNMENT. INVESTMENT GROUP IS COMMITTED TO SEEK TERMS OF TEN YEARS AT ONE AND ONE-EIGHTH PERCENT OVER LONDON INTERBANK RATE FOR ONE QUARTER PERCENT FEE. LOAN WOULD BE FOR FINANCING A WIDE VARIETY OF PROJECTS UNDER 1974 PUBLIC INVESTMENT PROGRAM AND TO REIMBURSE CERTAIN SOURCES OF FUNDS, SUCH AS THE BANCO NACIONAL, WHICH HAVE COVERED PREVIOUS FINANCING SHORTFALLS.

2. ACCORDING TO CITIBANK OFFICER, INVESTMENT GROUP HAS LIMITED OFFICIAL USE

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ENCOUNTERED DIFFICULTY IN FINDING PARTICIPANTS. HE

SAID THIS WAS BECAUSE OF UPWARD TREND IN COST OF FUNDS
VS COMPARATIVELY LOW MARGIN OVER LONDON INTERBANK RATE
OF PROPOSED LOAN (PREVIOUS \$115 MILLION LOAN WAS AT
ONE AND ONE-QUARTER PERCENT OVER INTERBANK RATE FOR
FIRST FIVE YEARS AND ONE AND THREE-EIGHTS PERCENT
ABOVE INTER/BANK RATE DURING SECOND FIVE YEARS).
JORDEN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FUND ALLOTMENT, CENTRAL GOVERNMENT, INVESTMENT LOANS, BANK RATES, INVESTMENT PROGRAMS
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Copy: SINGLE
Draft Date: 07 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
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Disposition Authority: smithrj
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Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
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Disposition Reason:
Disposition Remarks:
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Original Handling Restrictions: n/a
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Review Media Identifier:
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Subject: PUBLIC FINANCE: CITICORP ARRANGING \$36 MILLION LOAN FOR PANAMA
TAGS: EFIN, PN, NATIONAL CITY BANK
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005